



Michael Patrick McGinn
Mayor of Seattle

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Hand Deliver

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Honorable Members of the Seattle City Council
Seattle City Hall, Second Floor
Seattle, WA 98104

Dear Council Members:

I am writing to let you know that the Seattle Department of Transportation, Seattle City Light, Seattle Public Utilities and the Mayor's Office have substantially completed our negotiations of the Memoranda of Agreement between our city and the State for the Alaskan Way Viaduct Replacement Program. On 99% of the issues to be addressed in the contracts there is agreement.

There remains one significant issue of disagreement: cost overruns. On that issue, we are at an impasse with the State.

If we stand together now, we can ensure that substantive protection for Seattle's citizens is in place *before* we sign the agreements. To do otherwise would leave us exposed to the significant risk of paying for cost overruns, as well as the risk that the project will stall, leaving the viaduct in place, due to lack of sufficient funds.

Clearly, there is disagreement over the merits of this project. But on this one point, I hope we are in agreement: Seattle residents should not be held liable for cost overruns on a state project. No matter your opinion, signing these agreements without safeguards in place would be perilous.

I'd like to propose a possible solution. Today I am sending the negotiated agreements between the City and the State, together with some new language for your consideration. This language, which we have included as paragraph 2.11 of the master SDOT agreement, proposes what I call the "third way," and it provides all of us with a path forward to complete the agreement.

In short, this new contract language would stipulate that Seattle's agreement to go forward will not take effect unless and until the State amends state law to clarify that the State is responsible for all project funding including cost overruns.

By including this clause in the Memoranda of Agreement, we would provide the safeguards needed for our citizens and our City, allowing the agreement to move forward.

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Governor Gregoire recently committed to signing legislation that would remove the cost overruns provision. Several State leaders have indicated that they believe they could pass a new bill during the 2011 Legislative session. Unless we, Seattle's elected representatives stand united now, there will be no political will for them to fix this problem in Olympia.

This is our chance to get it right. It is my hope that over the next several weeks we can work together to find a solution that will protect the citizens of Seattle and move us closer to a better agreement with the State.

Sincerely,



Michael McGinn
Mayor

cc: Peter Hahn, Director, SDOT
Peter Holmes, Seattle City Attorney

Attachments: SDOT-WSDOT MOA

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